

# News Release



***Controller of the State of California - Kathleen Connell***

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***For Immediate Release***

## **STATE CONTROLLER KATHLEEN CONNELL ANNOUNCES \$10 MILLION IN SAVINGS THROUGH EARLY RETIREMENT OF REVENUE ANTICIPATION WARRANTS**

**SACRAMENTO, November 8, 2002** – State Controller Kathleen Connell today announced that she will redeem \$3 billion in Revenue Anticipation Warrants (RAWs) two months earlier than initially scheduled.

"I made a commitment to the investment community that I would make every effort to ensure that these bonds would be paid at the earliest possible date," said Controller Connell. "I have fulfilled my commitment to the investors prior to the end of my term."

These RAWs, designated as Series C, were originally scheduled for redemption on January 30, 2003. Instead, they will be redeemed on November 27, 2002. This is the same date that \$3 billion in RAWs, designated as Series B, will also be redeemed.

"This early redemption is made possible by the expected payment of \$6.5 billion to the General Fund on November 14, 2002, for loans made to the Department of Water Resources last year," stated Controller Connell. "These loans were used to purchase electricity during the energy crisis and the proceeds for repayment will come from the recent sale of energy bonds. The early redemption of Series C will save California over \$10 million in interest."

On June 18, 2002, Controller Connell successfully awarded \$7.5 billion in RAWs, also known as short-term debt securities, to provide the necessary cash to meet the State's financial obligations through the first half of the current fiscal year.

"I ensured that this early redemption was available because of my long-standing commitment to minimizing the amount of borrowing by the State," stated Controller Connell. "I am pleased that the long-delayed energy bond sale will allow me to continue to meet this goal."

Series C of the RAWs is the final Series to be redeemed. Series B is the second scheduled redemption of the RAWs. Series A, in the amount of \$1.5 billion, was redeemed on its scheduled maturity date of October 25, 2002.

"The RAWs were critical to assuring that the State was able to meet its obligations during the delayed budget this year," explained Controller Connell. "The recent sale of \$13.5 million in Revenue Anticipation Notes will allow the State to meet these obligations for the remainder of the current fiscal year."

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